

Amendment Number 1
to
Contract Number DIR-SDD-2211
between
State of Texas, acting by and through the Department of Information Resources
and
Applied Network Security LLC

This Amendment Number 1 to Contract Number DIR-SDD-2211 (“Contract”) is between the Department of Information Resources (“DIR”) and Applied Network Security LLC (“Vendor”). DIR and Vendor agree to modify the terms and conditions of the Contract as follows:

1. Contract, Section 2, Term of Contract, is hereby amended as follows:

DIR and Vendor hereby agree to extend the term of the Contract for one (1) year through July 18, 2015 or until terminated pursuant to the termination clauses contained in the Contract. Prior to expiration of the term, DIR and Vendor may extend the Contract, upon mutual agreement, for up to two (2) additional one-year terms.

2. Contract, Section 4, Pricing, is hereby restated in its entirety as follows:

Pricing to the DIR Customer shall be as set forth in Appendix A, Section 8, Pricing, Purchase Orders, Invoices and Payment, and as set forth in Appendix C, Pricing Index, and shall include the DIR Administrative Fee.

3. Contract, Section 4, Pricing, A – H, is deleted and is hereby restated in its entirety in Appendix A, Standard Terms and Conditions For Product and Related Services Contracts dated 05/02/14 as attached hereto.

4. Contract, Section 5, DIR Administrative Fee, A), is hereby restated in its entirety as follows:

A) The administrative fee to be paid by the Vendor to DIR based on the dollar value of all sales to Customers pursuant to this Contract is three quarters of one percent (.75%). Payment will be calculated for all sales, net of returns and credits. For example, the administrative fee for sales totaling \$100,000 shall be \$750.00. The effective date of this change will be **August 1, 2014**.

5. Contract, Section 6, Notification, is hereby restated in its entirety as follows:

All notices under this Contract shall be sent to a party at the respective address indicated below.

If sent to the State:

Dana L. Collins, CTPM, CTCM
Contract and Vendor Management
Department of Information Resources
300 West 15th Street, Suite 1300
Austin, Texas 78701
Phone: 512-936-2233
Facsimile: 512-475-4759
Email: dana.collins@dir.texas.gov

If sent to the Vendor:

Samuel Yamthe
Applied Network Security LLC
9800 N Lamar Blvd., Ste. 218
Austin, TX 78753
Phone: 512-490-1572
Facsimile: 866-799-2154
Email: syamthe@appliednetworksecurity.com

6. Contract, Section 7, Shrink/Click-wrap License Agreement, is hereby amended by restating in its entirety as follows:

A. Regardless of any other provision or other license terms which may be issued by Vendor after the effective date of this Contract, and irrespective of whether any such provisions have been proposed prior to or after the issuance of a Purchase Order for products licensed under this Contract, or the fact that such other agreement may be affixed to or accompany software upon delivery (shrink-wrap), the terms and conditions set forth in this Contract shall supersede and govern the license terms between Customers and Vendor. **It is the Customer's responsibility to read the Shrink/Click-wrap License Agreement and determine if the Customer accepts the license terms as amended by this Contract. If the Customer does not agree with the license terms, Customer shall be responsible for negotiating with the reseller to obtain additional changes in the Shrink/Click-wrap License Agreement language from the software publisher.**

B. Conflicting or Additional Terms

In the event that conflicting or additional terms in Vendor Software License Agreements, Shrink/Click Wrap License Agreements, Service Agreements or linked or supplemental documents amend or diminish the rights of DIR Customers or the State, such conflicting or additional terms shall not take precedence over the terms of this Contract.

7. Contract, Section 8. Intellectual Property Matters, A – L, is deleted and is hereby restated in its entirety in Appendix A, Standard Terms and Conditions For Product and Related Services Contracts dated 05/02/14 as attached hereto.

8. Appendix A, Standard Terms and Conditions For Product and Related Services Contracts, is hereby restated in its entirety and replaced with the attached **Appendix A, Standard Terms and Conditions For Product and Related Services Contracts** dated 05/02/2014.

9. Appendix C, Pricing Index, is hereby restated in its entirety replaced with the attached Appendix C, Pricing Index.

All other terms and conditions of the Contract as amended, not specifically modified herein, shall remain in full force and effect. In the event of conflict among the provisions, the order of precedence shall be Amendment Number 1 and then the Contract DIR- SDD-2211.

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IN WITNESS WHEREOF, the parties hereby execute this Amendment Number 1 to be effective as of the date of last signature, but in all events not later than July 18, 2014.

Applied Network Security LLC

Authorized By: Signature on file

Name: Samuel Yamathe

Title: President

Date: 06/18/2014

The State of Texas, acting by and through the Department of Information Resources

Authorized By: Signature on file

Name: Todd Kimbriel on behalf Karen Robinson

Title: Executive Director

Date: 06/30/2014

Office of General Counsel: 06/27/2014